

**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**MINUTES OF MEETING**  
**AUGUST 11, 1994, 10:00 AM EST**

The Members of the Department of Financial Institutions met at 10:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, August 11, 1994. Members present were Messrs. Mark Hasten, presiding, W. Paul Wolf, Tony Zaleski, Daniel Leitch, and Ms. Dee Godme. Also present from the Department were Charles W. Phillips, Director; Kirk J. Schreiber, Bank Analyst; Eric Roberts, Bank Analyst; Randall L. Rowe, Bank Supervisor; James M. Cooper, Deputy Director, Depository Institutions; J. Philip Goddard, Deputy Director, Non-Depository Institutions; Mark K. Powell, Supervisor, Credit Unions; Mark K. Tarpey, Division Coordinator, Consumer Credit Division; and Janice L. Davis, Administrative Assistant. Messrs. Grant and Lowery were absent.

**I. PUBLIC SESSION**

- A.) Attendance
- B.) Date of next meeting: September 8, 1994, at **10:00** a.m. EST.
- C.) Approval of the minutes of the meeting held July 14, 1994. A motion was made for approval of the minutes by Ms. Godme and seconded by Mr. Leitch. The minutes were unanimously approved.

**DIVISION OF BANKS AND TRUST COMPANIES**

**A) Old National Bancorp, Evansville, Vanderburgh County, Indiana**

The application was presented by Kirk J. Schreiber, Bank Analyst. Old National Bancorp (Old National) has applied to the Members of the Department for approval to acquire 100% control of O.C.B. Bancorp (OCB), Paoli, Orange County, Indiana, pursuant to the provisions of IC 28-2-14. OCB's only subsidiary, Orange County Bank, Paoli, Orange County, Indiana, will continue to exist as a separate entity and will conduct business as a wholly-owned subsidiary of Old National.

The proposed transaction consists of an exchange of 6.65 shares of Old National common stock for each share of OCB's common stock. Mr. Schreiber reported that the pro forma combined financial statements as of March 31, 1994, reflect a tier one leverage capital ratio of 8.56% for Old National. Pro forma total assets for the same date were \$4.02 billion and total equity capital of \$362 million. Mr. Schreiber further reported to the Members that all of the statutory requirements found in IC 28-2-14-12 have been satisfied in the opinion of the staff. It is anticipated that the Federal Reserve Bank of St. Louis will approve the application on August 13, 1994. A motion for approval was made by Mrs. Godme and seconded by Mr. Zaleski. The application was unanimously approved.

**B) Old National Bancorp, Evansville, Vanderburgh County, Indiana**

The application was presented by Kirk J. Schreiber, Bank Analyst. Old National Bancorp (Old National) has applied to the Members of the Department for approval to acquire 100% control of Indiana State Bank (ISB), Terre Haute, Vigo County, Indiana. Old National and Indiana State Bank have entered into an agreement of merger dated April 29, 1994. Old National will form an interim merger bank that will be used to merge into the Indiana State Bank with the Indiana State Bank being the survivor.

The pro forma combined financial statements of March 31, 1994, reflect a tier one leverage capital ratio of 8.56% for Old National. Pro forma total assets for the same date would be \$4.02 billion, and total equity capital of \$362 million. It is anticipated that the Federal Reserve Bank of St. Louis will approve the application on August 20, 1994.

It is the staffs opinion that the criteria for acquisition set forth in IC 28-2-14-12 has been established. A motion for approval of the application was made by Mr. Leitch and seconded by Mr. Wolf. The application was unanimously approved.

C) The New Washington State Bank, New Washington, Clark County, Indiana

Eric D. Roberts, Senior Bank Analyst, presented the application. The New Washington State Bank (New Washington) applied to the Members of the Department for approval to merge with and into an interim bank known as NW Bank, New Washington, Clark County, Indiana, which is a wholly owned subsidiary of New Independent Bancshares, Inc., New Washington, Clark County, Indiana. As a result of the merger New Independent Bancshares, Inc. will become an Indiana bank holding company. The interim bank will be the surviving corporation and the name of the corporation resulting from the merger will be The New Washington State Bank.

The financing of this transaction will be pursuant to a commitment letter from the Bank of Louisville, Louisville, Kentucky, to provide a loan of up to \$3,500,000. The bank will also pay any dissenting shareholders in cash.

A motion for approval of the merger was made by Mr. Wolf, and was seconded by Mr. Leitch. The merger was unanimously approved.

D) Town Financial Corporation, Hartford City, Blackford County, Indiana

Eric D. Roberts, Senior Bank Analyst, presented to the Members an application of Town Financial Corporation (Town) to acquire 100% of the voting shares of Maddox Financial, Inc. (Maddox), Hartford City, Blackford County, Indiana, and thereby acquire 82% of its only subsidiary, City Savings Bank, Hartford City, Blackford County, Indiana. The merger agreement was entered into on June 3, 1994. Town proposes to acquire 9,840 shares of Maddox Financial, Inc. This will be accomplished by an exchange of stock with the shareholders of Maddox, which are comprised entirely of the Maddox family. Upon the effective date, Maddox will be merged into Town Financial and will no longer exist as a separate entity. The existence of Maddox will cease, and Town will possess all of the assets of Maddox and all of its rights, privileges, immunities, powers, franchises, and liabilities. The name of the surviving corporation will be Town Financial Corporation.

City Savings, as of December 31, 1993, had total assets of \$34 million, and total equity capital of \$3.3 million. Tier one leverage capital equals 9.78% of total assets as of the same date. City's three year average return on assets is .64. As of December 31, 1993, City Savings tangible, core, and risk based capital ratios were 9.78%, 9.78%, and 22.12%, respectively.

The staff recommended approval of the application. A motion was made for approval by Mr. Wolf, and seconded by Mr. Leitch. The acquisition was unanimously approved.

**DIVISION OF CONSUMER CREDIT**

- A) Mark B. Tarpey, Division Coordinator, Consumer Credit Division, requested that the Members delegate the authority to the Director of the Department to review and approve any program or product that is submitted to the Department under the additional permissible charges found in the Uniform Consumer Credit Code. Mr. Tarpey also pointed out to the Members that this delegation would be only for approval and that any disapproval would be a decision which would be brought

before the Members for their action. Mr. Tarpey also outlined for the Members the considerations and guidelines that would be applied for approval of any program or request that would come under the provisions of IC 24-4.5-2-202(1)(c) or IC 24-4.5-3-202(1)(e). A motion for approval was made by Mr. Leitch and seconded by Mr. Zaleski. This request was unanimously granted.

#### **DIRECTOR'S COMMENTS AND REQUESTS**

- A) The Director advised the Members of actions taken pursuant to delegated authority. Mr. Phillips asked for any questions or clarifications of these actions, which are as follows:

#### **DIVISION OF BANKS AND TRUST COMPANIES**

- 1) VALLEY BANK, TERRE HAUTE, VIGO COUNTY, INDIANA  
The bank has applied to the Department for approval to establish a full service branch banking office to be located at 5 Executive Drive, Lafayette, Tippecanoe County, Indiana. The branch will be known as "Park 26 Office". This will be the applicant's tenth branch. The request was approved by the Director under Delegated Authority on July 22, 1994.
- 2) 1st SOURCE BANK, SOUTH BEND, ST. JOSEPH COUNTY, INDIANA  
The bank has applied to the Department for approval to establish a full service branch banking office to be located at 120 South Lake Street, Warsaw, Kosciusko County, Indiana. This will be the institution's thirtieth branch. The request was approved by the Director under Delegated Authority on July 22, 1994.
- 3) PACESSETTER BANK OF HARTFORD CITY, HARTFORD CITY, BLACKFORD COUNTY, INDIANA  
Pacesetter Bank of Montpelier, Montpelier, Blackford County, Indiana has filed an application with the Department for approval to merge with PBHC Merger Bank, Hartford City, Blackford County, Indiana. PBHC which is an interim bank formed to facilitate the acquisition of Pacesetter Bank of Hartford City by Town Financial Corporation, Hartford City, Blackford County, Indiana, will be the surviving bank. Its name will be Pacesetter Bank of Hartford City and the main office will be located at 1515 North Walnut Street, Hartford City, Blackford County, Indiana. The request was approved by the Director under Delegated Authority on July 22, 1994.
- 4) PACESSETTER BANK OF MONTPELIER, MONTPELIER, BLACKFORD COUNTY, INDIANA  
Pacesetter Bank of Montpelier, Montpelier, Blackford County, Indiana, has filed an application with the Department for the approval to merge with PBOM Merger Bank, Montpelier, Blackford County, Indiana. PBOM which is an interim bank formed to facilitate the acquisition of Pacesetter Bank of Montpelier by Town Financial Corporation, Hartford City, Blackford County, Indiana, will be the surviving bank. Its name will be Pacesetter Bank of Montpelier and the main office will be located at 1515 North Walnut Street, Montpelier, Blackford County, Indiana. The request was approved by the Director under Delegated Authority on July 22, 1994.
- 5) VALLEY BANK, TERRE HAUTE, VIGO COUNTY, INDIANA  
The bank has applied to the Director for approval to amend Article 1 of its Articles of Incorporation. Approval of the amendment will allow the bank to change its name to "Citizens Bank of Western Indiana." The request was approved by the Director under Delegated Authority on July 28, 1994.
- 6) MARENGO STATE BANK, MARENGO, CRAWFORD COUNTY, INDIANA  
The bank has applied to the Director for approval to redeem 610 shares of \$100.00 par value, 8% non-cumulative preferred stock. The request was approved by the Director under Delegated Authority on July 28, 1994.
- 7) OLD NATIONAL BANCORP, EVANSVILLE, VANDERBURGH COUNTY, INDIANA  
An application has been filed for permission to establish an interim bank to be known as "Terre Haute Merger Bank." Terre Haute Merger Bank will be a wholly-owned subsidiary of Old National Bancorp. The interim bank will be located at 420 Main Street, Evansville, Vanderburgh County,

Indiana. The interim bank will never be operational and is being formed in order to facilitate the pending acquisition between Old National Bancorp and Indiana State Bank of Terre Haute, Terre Haute, Vigo County, Indiana. As a result of the acquisition, Old National Bancorp will acquire 100% of the issued and outstanding shares of stock of the Indiana State Bank of Terre Haute.

#### DIVISION OF CREDIT UNIONS

1. PENN CREDIT UNION, GOSHEN, ELKHART COUNTY, INDIANA

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would delete the phrase "which do not have state chartered credit union service available" from the field of membership of the credit union. The request was approved by the Director under Delegated Authority on July 6, 1994.

2. NICKEL PLATE INDUSTRIAL CREDIT UNION, FRANKFORT, CLINTON COUNTY, INDIANA

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Hi Tech Label, Inc. - Frankfort - 13 members

The request was approved by the Director under Delegated Authority on July 6, 1994.

3. TEACHERS CREDIT UNION, SOUTH BEND, ST JOSEPH COUNTY, INDIANA

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Kindig Lakeshore, Realtors - Rochester - 10 members  
Camcar / Textron - Torx Products Division - Rochester - 175 members  
Leader Homes - Greenwood - 2 members  
Mays Chemical Co., Inc. - Indianapolis - 88 members  
Western Publishing Co., Inc. - Crawfordsville - 125 members  
Mr. J's Floral & Gift Shop - Warsaw - 2 members  
Northwest Indiana Small Business Development Center - Gray - 2 members  
The Building Physician, Inc. - Knox - 5 members  
Wirekraft Industries, Inc. - Mishawaka - 2,300 members

The request was approved by the Director under Delegated Authority on July 13, 1994.

4. TEACHERS CREDIT UNION, SOUTH BEND, ST JOSEPH COUNTY, INDIANA

Request for approval of an application to establish a branch office at 1502 Indianapolis Road, Greencastle, Indiana.

The request was approved by the Director under Delegated Authority on July 20, 1994.

5. DEKALB FINANCIAL CREDIT UNION, AUBURN, DEKALB COUNTY, INDIANA

Request for approval of a petition to amend the articles of incorporation of DeKalb Financial Credit Union to include the field of membership of the merged Allen County Farm Bureau Cooperative Credit Union in the field of membership of DeKalb Financial Credit Union.

The request was approved by the Director under Delegated Authority on July 29, 1994.

6. TEACHERS CREDIT UNION, SOUTH BEND, ST JOSEPH COUNTY, INDIANA

Request for approval of a Petition for Approval of Proposed Amendment To the Articles of Incorporation. This amendment would place the following organizations into the field of membership of the credit union:

Porter County Council on Aging & Community Services - Valparaiso - 36 members  
Greater Greenwood Chamber of Commerce, Inc. - Greenwood - 2 members  
Lendar Management, Inc. - New Castle - 75 members  
Correlated Products, Inc. - Indianapolis - 25 members  
Winterwood Mortgage Group, LLC - Greenwood - 15 members  
Swan Lake Golf Resort, Inc. - Plymouth - 120 members  
Professional Employer Services Of America, Inc. - Highland - 52 members  
ATEC Associates, Inc. - Indianapolis - 1,400 members

The request was approved by the Director under Delegated Authority on August 2, 1994.

**DIVISION OF CONSUMER CREDIT**

1. Request for a consumer loan license from Credicorp, Inc. They are based in Chicago, Illinois. At this time, they will not have a physical location in Indiana. They will use local attorneys or title companies to close the loans in their name. They are obtaining the license to make second mortgage loans. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on July 21, 1994.
2. Request for a consumer loan license by Credit One, Inc. of Bedford Heights, Ohio. They plan to work with local check cashers. They will make small, single payment loans to check cashing customers. All references are in order. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on July 21, 1994.
3. Request for a consumer loan license by Act Enterprises, Inc. of Lafayette, Indiana. They will have two branch locations. One in Lafayette and one in West Lafayette. They are obtaining the loan license to make small, single payment loans to their check cashing customers. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on July 21, 1994.
4. Request for a check cashing license by Act Enterprises, Inc. of Lafayette, Indiana. They will have two branch locations. One in Lafayette and one in West Lafayette. They have met all of the requirements of the check cashing law. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on July 21, 1994.
5. Request for a pawnbroker license by Robert Hall d/b/a Country Pawn Shop. They will be located in Salem. The investigation of character, fitness and financial responsibility revealed no derogatory information. No objections were offered by local law enforcement. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on July 21, 1994.
6. Request for a pawnbroker license by Cash America Pawn of Indiana, Inc. d/b/a Cash America Pawn of Indianapolis #7. Cash America is the largest pawnshop operator in the world with over 230 stores in eight States and 26 stores in Great Britain. Cash America stock is traded on the NYSE. No objections were offered by local law enforcement. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on July 21, 1994.
7. Request for a pawnbroker license by Cash America Pawn of Indiana, Inc. d/b/a Cash America Pawn of Indianapolis #8. Cash America is the largest pawnshop operator in the world with over 230 stores in eight States and 26 stores in Great Britain. Cash America stock is traded on the NYSE. No objections were offered by local law enforcement. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on August 2, 1994.

8. Request for a money transmitter license by Superior Bank FSB of Oakbrook, Illinois. The bank will be issuing money order through locations of Jay Petroleum. There will be 13 locations in Northern Indiana. These are combination grocery/ gas stations. The license is necessary since the bank will not be using depository institutions as authorized delegates (agents). They have met all of the requirements of the statute. It is recommended that the license be issued. The request was approved by the Director under Delegated Authority on August 2, 1994.
9. Request for a consumer loan license by Community Credit Co. of Indiana d/b/a Community Credit Co. They are based in Minnesota. They currently operate 52 offices in Colorado, Illinois, Minnesota and Wisconsin. Their primary business is the financing of automobiles both by direct loans and the purchase of retail contracts. They will have one initial location. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on August 2, 1994.
10. Request for a consumer loan license by SCS Credit Corporation of Elkhart. They are currently registered with us to purchase retail installment sales contracts. They are obtaining a loan license to allow them to make direct loans to their customers. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on August 2, 1994.
11. Request for a consumer loan license by Vision Mortgage and Finance Company. They are based in Niles, Michigan. They plan to make second mortgage loans in Indiana using local attorneys and title companies. All personnel are very experienced in consumer lending. It is recommended that the license be approved. The request was approved by the Director under Delegated Authority on August 2, 1994.

There being no further business to come before the Members, the meeting was adjourned.

APPROVED:

ATTEST:

\_\_\_\_\_  
Mark Hasten, Chairman

\_\_\_\_\_  
J. Philip Goddard, Secretary